NANTEX INDUSTRY CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of NANTEX INDUSTRY CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of NANTEX INDUSTRY CO., LTD. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Evaluation of inventories

<u>Description</u>

Refer to Note 4(9) for description of accounting policies on inventory, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of inventory. As at December 31, 2022, the balances of inventories and allowance for inventory valuation losses were NT$630,296 thousand and NT$26,873 thousand, respectively.

The Company is primarily engaged in manufacturing, processing and sales of various types of latex, rubber and related products. As the Company's inventories are mostly chemicals, they are subject to deterioration and fluctuations in global commodity prices. Since measurement of net realisable value for inventories involves subjective judgment resulting in a high degree of estimation uncertainty, we considered the evaluation of inventories a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

A. Compared whether the provision policies of inventory valuation losses were adopted consistently in all periods and assessed the reasonableness of the provision policies.

B. Obtained an understanding on warehousing control procedures, reviewed the annual physical inventory count plan and participated in the annual physical inventory count to assess the effectiveness of the management's classification of and control and over obsolete inventories.

C. Examined the accuracy of inventory aging reports, sampled the last movement of inventories before the balance sheet date to calculate the accuracy of inventory aging ranges and assessed the possibility of obsolescence in inventories aged over a certain period.

D. Sampled the calculation of net realisable value of individual inventories and compared with the recorded amounts.

Cut off of operating revenue recognition from export sales

<u>Description</u>

Refer to Note 4(25) for the accounting policies on revenue recognition.

The Company is engaged in domestic and international sales. Since there are numerous daily revenues and transaction terms made with foreign customers are different, which involve significant risk in relation to inappropriate revenue recognition timing, we identified the cut off of operating revenue recognition from export sales a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

A. Inspected sales contracts and orders to ascertain whether sales revenue was recognised in the appropriate period based on transaction terms.

B. Obtained details of operating revenue from export sales, and sampled and verified supporting documents (such as customer orders, delivery orders and export declarations) in order to verify whether operating revenue from export sales was recognised in the appropriate period.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance (including the audit committee) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance (including the audit committee) with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Yung-Chih

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,253,516	14	$ 6,750,267	35
1110	Current financial assets at fair value through profit or loss	6(2)	31,050	-	31,080	-
1136	Current financial assets at amortised cost	6(1)(3)	767,750	5	-	-
1150	Notes receivable, net	6(4)	34,827	-	85,475	1
1170	Accounts receivable, net	6(4) and 7	245,068	2	1,163,675	6
1200	Other receivables		37,268	-	67,327	1
1210	Other receivables - related parties	7	20,528	-	49,276	-
130X	Inventories	5 and 6(5)	603,423	4	408,794	2
1410	Prepayments		82,476	1	181,354	1
11XX	**Total current assets**		4,075,906	26	8,737,248	46
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	449,246	3	383,117	2
1550	Investments accounted for under equity method	6(7) and 7	9,322,449	60	8,249,770	43
1600	Property, plant and equipment	6(8) and 8	1,517,203	10	1,581,315	8
1755	Right-of-use assets	6(9) and 7	55,704	-	60,042	1
1780	Intangible assets	6(10)	540	-	708	-
1840	Deferred income tax assets	6(23)	21,304	-	56,057	-
1920	Guarantee deposits paid	8	413	-	413	-
1975	Net defined benefit assets	6(13)	149,460	1	20,917	-
1990	Other non-current assets		33,971	-	13,953	-
15XX	**Total non-current assets**		11,550,290	74	10,366,292	54
1XXX	**Total assets**		$ 15,626,196	100	$ 19,103,540	100

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NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 100,000	1	$ 50,000	-
2130	Current contract liabilities	6(16) and 7	16,199	-	50,900	-
2170	Accounts payable		138,521	1	273,097	2
2200	Other payables	6(12)	349,545	2	1,096,154	6
2230	Current income tax liabilities	6(23)	176,994	1	1,022,811	5
2280	Current lease liabilities	6(9) and 7	15,258	-	15,115	-
2365	Current refund liabilities		-	-	20,418	-
21XX	**Total current liabilities**		796,517	5	2,528,495	13
	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	362,620	3	320,475	2
2580	Non-current lease liabilities	6(9) and 7	43,493	-	47,371	-
25XX	**Total non-current liabilities**		406,113	3	367,846	2
2XXX	**Total liabilities**		1,202,630	8	2,896,341	15
	Equity					
	Share capital					
3110	Common stock	6(14)	4,924,167	31	4,924,167	26
	Capital surplus					
3200	Capital surplus	6(7)	28,939	-	608	-
	Retained earnings	6(15)				
3310	Legal reserve		2,420,743	15	1,683,582	9
3320	Special reserve		433,442	3	433,442	2
3350	Unappropriated retained earnings		6,652,642	43	9,564,596	50
	Other equity interest					
3400	Other equity interest	6(6)	(36,367)	-	(399,196)	(2)
3XXX	**Total equity**		14,423,566	92	16,207,199	85
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
3X2X	**Total liabilities and equity**		$ 15,626,196	100	$ 19,103,540	100

The accompanying notes are an integral part of these parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
4000	Operating revenue	6(16) and 7	$ 5,013,577	100	$ 14,055,601	100
5000	Operating costs	6(5)(13)(21)(22)	(3,895,575)	(77)	(6,182,125)	(44)
5900	Net operating margin		1,118,002	23	7,873,476	56
	Operating expenses	6(10)(13)(21)(22)				
6100	Selling expenses		(421,515)	(9)	(501,878)	(3)
6200	General and administrative expenses		(359,099)	(7)	(855,915)	(6)
6300	Research and development expenses		(62,519)	(1)	(85,957)	(1)
6000	Total operating expenses		(843,133)	(17)	(1,443,750)	(10)
6900	Operating profit		274,869	6	6,429,726	46
	Non-operating income and expenses					
7100	Interest income	6(6)(17)	42,141	1	7,509	-
7010	Other income	6(6)(18) and 7	41,580	1	71,031	-
7020	Other gains and losses	6(2)(19) and 12	423,550	8	(171,902)	(1)
7050	Finance costs	6(9)(20) and 7	(1,123)	-	(1,297)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	713,482	14	2,332,128	17
7000	Total non-operating income and expenses		1,219,630	24	2,237,469	16
7900	**Profit before income tax**		1,494,499	30	8,667,195	62
7950	Income tax expense	6(23)	(301,867)	(6)	(1,320,696)	(10)
8200	**Profit for the year**		$ 1,192,632	24	$ 7,346,499	52
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	6(13)	$ 99,273	2	$ 28,400	-
8316	Unrealised gains on financial assets measured at fair value through other comprehensive income	6(6)	47,592	1	14,662	-
8330	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(7)	73	-	1,119	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(19,854)	-	(5,680)	-
	Components of other comprehensive loss that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)	313,083	6	(76,199)	-
8367	Unrealised gains (losses) on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(6)	2,154	-	(1,362)	-
8300	**Other comprehensive income (loss) for the year**		$ 442,321	9	($ 39,060)	-
8500	**Total comprehensive income for the year**		$ 1,634,953	33	$ 7,307,439	52
	Earnings per share (in dollars)	6(24)				
9750	Basic			$ 2.42		$ 14.92
9850	Diluted			$ 2.42		$ 14.85

The accompanying notes are an integral part of these parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Share Capital	Capital Surplus	Retained Earnings			Other Equity Interest		
	Notes	Common stock	Changes in equity of associates and joint ventures accounted for using equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Year ended December 31, 2021									
Balance at January 1, 2021		$ 4,924,167	$ -	$ 1,328,744	$ 433,442	$ 4,517,491	($ 377,414)	$ 42,389	$ 10,868,819
Profit for the year		-	-	-	-	7,346,499	-	-	7,346,499
Other comprehensive income (loss) for the year	6(6)(7)	-	-	-	-	21,242	(76,199)	15,897	(39,060)
Total comprehensive income (loss)		-	-	-	-	7,367,741	(76,199)	15,897	7,307,439
Distribution of 2020 net income:									
Legal reserve		-	-	354,838	-	(354,838)	-	-	-
Cash dividends	6(15)	-	-	-	-	(1,969,667)	-	-	(1,969,667)
Changes in equity of associates and joint ventures accounted for using equity method		-	608	-	-	-	-	-	608
Disposal of financial assets at fair value through other comprehensive income	6(6)	-	-	-	-	3,869	-	(3,869)	-
Balance at December 31, 2021		$ 4,924,167	$ 608	$ 1,683,582	$ 433,442	$ 9,564,596	($ 453,613)	$ 54,417	$ 16,207,199
Year ended December 31, 2022									
Balance at January 1, 2022		$ 4,924,167	$ 608	$ 1,683,582	$ 433,442	$ 9,564,596	($ 453,613)	$ 54,417	$ 16,207,199
Profit for the year		-	-	-	-	1,192,632	-	-	1,192,632
Other comprehensive income for the year	6(6)(7)	-	-	-	-	79,492	313,083	49,746	442,321
Total comprehensive income		-	-	-	-	1,272,124	313,083	49,746	1,634,953
Distribution of 2021 net income:									
Legal reserve		-	-	737,161	-	(737,161)	-	-	-
Cash dividends	6(15)	-	-	-	-	(3,446,917)	-	-	(3,446,917)
Changes in equity of associates and joint ventures accounted for using equity method from acquiring shares unproportionately to ownership	6(7)	-	28,082	-	-	-	-	-	28,082
Changes in equity of associates and joint ventures accounted for using equity method	6(7)	-	249	-	-	-	-	-	249
Balance at December 31, 2022		$ 4,924,167	$ 28,939	$ 2,420,743	$ 433,442	$ 6,652,642	($ 140,530)	$ 104,163	$ 14,423,566

The accompanying notes are an integral part of these parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2022	Year ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,494,499	$ 8,667,195
Adjustments			
Adjustments to reconcile profit (loss)			
Losses (gains) on valuation of financial assets at fair value through profit or loss	6(2)(19)	30	(1,080)
Reversal of inventory market price decline	6(5)	(1,264)	(3,331)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(713,482)	(2,332,128)
Depreciation	6(8)(9)(21)	185,596	142,709
Losses on disposal of property, plant and equipment	6(19)	-	1,332
Property, plant and equipment transferred to expense	6(8)	818	5,900
Amortisation	6(10)(21)	226	229
Interest income	6(17)	(42,141)	(7,509)
Dividend income	6(6)(18)	(12,338)	(8,794)
Interest expense	6(20)	1,123	1,297
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		-	(30,000)
Notes receivable		50,648	(39,624)
Accounts receivable		918,607	709,974
Other receivables		30,059	(20,683)
Other receivables - related parties		28,748	(21,030)
Inventories		(193,365)	(24,026)
Prepayments		98,878	136,117
Net defined benefit assets		(29,270)	(20,917)
Other non-current assets		(20,018)	(576)
Changes in operating liabilities			
Current contract liabilities		(34,701)	12,586
Accounts payable		(134,576)	(4,114)
Other payables		(751,340)	342,561
Current refund liabilities		(20,418)	20,418
Net defined benefit liabilities		-	(7,951)
Cash inflow generated from operations		856,319	7,518,555
Interest received		42,141	7,509
Dividends received		29,355	24,849
Interest paid		(1,123)	(1,297)
Income tax paid		(1,090,640)	(730,271)
Net cash flows (used in) from operating activities		(163,948)	6,819,345

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NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for acquisition of current financial asstes at amortised cost		($ 767,750)	$ -
Acquisition of financial assets at fair value through other comprehensive income		(16,383)	(36,030)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	-	16,939
Acquisition of investments accounted for using equity method	6(7)	(34,727)	-
Cash paid for acquisition of property, plant and equipment	6(25)	(84,664)	(231,508)
Proceeds from disposal of property, plant and equipment		-	2,381
Increase in intangible assets	6(10)	(58)	(413)
Increase in prepayments for equipment		(17,159)	-
Net cash flows used in investing activities		(920,741)	(248,631)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(26)	50,000	(50,000)
Payment of lease liabilities	6(26)	(15,145)	(14,903)
Payment of cash dividends	6(15)	(3,446,917)	(1,969,667)
Net cash flows used in financing activities		(3,412,062)	(2,034,570)
Net (decrease) increase in cash and cash equivalents		(4,496,751)	4,536,144
Cash and cash equivalents at beginning of year	6(1)	6,750,267	2,214,123
Cash and cash equivalents at end of year	6(1)	$ 2,253,516	$ 6,750,267

The accompanying notes are an integral part of these parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) NANTEX INDUSTRY CO., LTD. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on January 10, 1979. The Company is primarily engaged in the manufacture, processing and sales of various types of latex, rubbers and related products.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since October 27, 1992.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 7, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts－cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018－2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets or liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of parent company only financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5, 'Critical accounting judgements, estimates and key sources of assumption uncertainty'.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'Other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Notes and accounts receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. When the cost of inventory is higher than net realisable value, a write-down is provided and recognised in operating costs. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent and recognised as deduction of operating costs.

(10) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(11) Impairment of financial assets

For financial assets at amortised cost and debt instruments measured at fair value through other comprehensive income, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses ("ECLs") if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has no retained control of the financial asset.

(13) Investments accounted for using equity method / subsidiaries

A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealised gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognises proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.

D. According to Regulations Governing the Preparation of Financial Statements by Securities Issuers, 'Profit for the year' and 'Other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year" and

“Other comprehensive income’ attributable to owners of the parent reported in that entity’s consolidated statement of comprehensive income. Total equity reported in an entity’s parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity’s consolidated financial statements.

(14) Property, plant and equipment

A. Aside from those assets which had been revaluated, property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Land improvements	20 ～ 40 years
Buildings and structures	3 ～ 65 years
Machinery and equipment	3 ～ 33 years
Leasehold improvements	10 years
Other equipment	3 ～ 20 years

(15) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

Trademarks and computer software are stated initially at cost and amortised on a straight-line basis over its estimated economic life and term of operating agreements of 5 to 6 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

A. Borrowings comprise long-term and short-term banks loans and other short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(19) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees’ compensation and directors’ and supervisors’ remuneration

Employees’ compensation and directors’ and supervisors’ remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed in which they are resolved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales of goods

(a) Sales are recognised when control of the products has transferred, being when the products are delivered to the external customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue is recognised based on the price specified in the contract, net of the estimated sales return and volume discounts. The products are often sold with volume discounts based on estimated sales of each year. Accumulated experience is used to estimate and provide for the sales discounts and volume discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The terms of receipt of sales transactions are consistent with market practice, the Company does not adjusted the transation price to reflect the time value of money.

(c) A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. As the inventories are mostly chemicals, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specific period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2022, the carrying amount of inventories was $603,423.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash:		
Cash on hand	$ 275	$ 275
Checking accounts and demand deposits	717,741	1,213,992
	718,016	1,214,267
Cash equivalents:		
Time deposits	1,535,500	5,536,000
	$ 2,253,516	$ 6,750,267

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2022, the Company's time deposits maturing in excess of three months and within one year were classified as current financial assets at amortised cost. There was no such transaction for the year ended December 31, 2021.

C. The Company has no cash and cash equivalents pledged to others as of December 31, 2022 and 2021.

(2) Current financial assets at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 30,000	$ 30,000
Valuation adjustment	1,050	1,080
	$ 31,050	$ 31,080

A. For the years ended December 31, 2022 and 2021, the Company recognised net (loss) gain from changes in fair values in the amount of ($30) and $1,080, respectively. The Company recognised gain from the distribution of investment income in the amount of $935 and $−, respectively (listed as 'Other gains and losses').

B. The Company has no financial assets at fair value through profit or loss pledged to others as of December 31, 2022 and 2021.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), 'Financial instruments'.

(3) Current financial assets at amortised cost

Current items:	December 31, 2022	December 31, 2021
Time deposits maturing over three months	$ 767,750	$ -

A. The Company had no interest income recognized in profit or loss in relation to financial assets at amortised cost for the years ended December 31, 2022 and 2021.

B. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was the carrying amount.

C. The Company has no financial assets at amortised cost pledged to others as collateral as of December 31, 2022 and 2021.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2), 'Financial instruments'. The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	December 31, 2022	December 31, 2021
Notes receivable	$ 34,827	$ 85,475
Accounts receivable	$ 245,068	$ 1,163,675

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 168,802	$ 34,827	$ 793,797	$ 85,475
Less than 90 days	76,154	-	369,878	-
Over 90 days	112	-	-	-
	$ 245,068	$ 34,827	$ 1,163,675	$ 85,475

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, the balance of notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $1,919,500.

C. As of December 31, 2022 and 2021, the Company does not hold any collateral as security for notes and accounts receivable.

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), ‘Financial instruments’.

(5) Inventories

	December 31, 2022		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 272,753	($ 2,335)	$ 270,418
Supplies	28,802	(71)	28,731
Work in progress	41,046	(1,108)	39,938
Finished goods	287,695	(23,359)	264,336
	$ 630,296	($ 26,873)	$ 603,423

	December 31, 2021		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 203,768	($ 1,282)	$ 202,486
Supplies	23,222	(71)	23,151
Work in progress	50,176	(1,108)	49,068
Finished goods	159,765	(25,676)	134,089
	$ 436,931	($ 28,137)	$ 408,794

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2022	2021
Cost of goods sold	$ 3,893,369	$ 6,171,189
Reversal of inventory market price decline (Note)	(1,264)	(3,331)
Loss on physical inventory	5,255	16,147
Loss on discarding inventory	-	499
Revenue from sale of scraps	(1,785)	(2,379)
	$ 3,895,575	$ 6,182,125

(Note) For the years ended December 31, 2022 and 2021, the Company reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the inventories which were previously provided with allowance were subsequently used and sold.

(6) Non-current financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instruments		
Listed stocks	$ 125,435	$ 109,052
Unlisted stocks	162,740	162,740
	288,175	271,792
Valuation adjustment	130,683	83,091
	418,858	354,883
Debt instruments		
Corporate bonds	30,904	30,904
Valuation adjustment	(516)	(2,670)
	30,388	28,234
	$ 449,246	$ 383,117

A. The Company has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments was equivalent to its book value as at December 31, 2022 and 2021.

B. Due to the investment strategy, the Company sold $16,939 of equity investments at fair value resulting to a cumulative gain on disposal of $1,272. The cumulative gain on disposal of $3,869, including those resulting from equity investments sold by subsidiaries accounted for under equity method of $2,597, was transferred to retained earnings during the year ended December 31, 2021. There was no such transaction for the year ended December 31, 2022.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 47,592	$ 14,662
Dividend income recognised in profit or loss held at end of year	$ 12,338	$ 8,794

	Years ended December 31,	
	2022	2021
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 2,154	($ 1,362)
Interest income recognised in profit or loss	$ 723	$ 663

D. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was the carrying amount.

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), 'Financial instruments'.

(7) Investments accounted for under equity method

	Years ended December 31,	
	2022	2021
At January 1	$ 8,249,770	$ 6,008,169
Addition of investments accounted for using equity method	34,727	-
Share of profit of investments accounted for under equity method	713,482	2,332,128
Share of other comprehensive income of investments accounted for under equity method	73	1,119
Earnings distribution of investments accounted for under equity method	(17,017)	(16,055)
Adjustments to investments accounted for under equity method from not acquiring shares proportionately to ownership interest (Note)	28,082	-
Changes in capital surplus	249	-
Changes in other equity items	313,083	(75,591)
At December 31	$ 9,322,449	$ 8,249,770

	December 31, 2022	December 31, 2021
Subsidiaries:		
INTERMEDIUM INTERNATIONAL LIMITED	$ 8,700,223	$ 7,817,645
Nanmat Technology Co., Ltd.	622,226	432,125
	$ 9,322,449	$ 8,249,770

(Note) The subsidiary, Nanmat Technology Co., Ltd., increased its capital by issuing 5,000 thousand common shares for the year ended December 31, 2022. The Company acquired 694,540 shares unproportionally to its interest. As a result, the Company decreased its share interest from 44.2% to 41.0%. The Company recognised adjustment to investments accounted for under equity method from acquiring shares unproportionately to its ownership interest amounting to $28,082 (listed as 'Capital surplus').

A. For more information regarding the subsidiaries of the Company, refer to Note 4(3), 'Basis of consolidation' of the 2022 consolidated financial statements.

B. As of December 31, 2022 and 2021, no investments accounted for under equity method held by the Company were pledged to others.

(8) Property, plant and equipment

	Land	Land improvements	Buildings and structures	Machinery and equipment	Leashelod improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2022								
Cost	$448,185	$ 18,064	$ 907,801	$ 2,968,507	$ 7,960	$ 251,180	$ 133,040	$ 4,734,737
Accumulated depreciation	-	(14,175)	(691,405)	(2,276,512)	(4,426)	(166,904)	-	(3,153,422)
	$448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315
Year ended December 31, 2022								
At January 1	$448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315
Additions - Cost	-	-	4,759	15,037	-	13,414	56,185	89,395
Transferred from prepayments for equipment	-	-	-	-	-	-	17,159	17,159
Transferred after acceptance inspection	-	-	66,758	37,861	-	6,290	(110,909)	-
Disposals - Cost	-	-	-	(13,405)	-	(5,845)	-	(19,250)
- Accumulated depreciation	-	-	-	13,405	-	5,845	-	19,250
Depreciation	-	(1,925)	(21,360)	(130,223)	(731)	(15,609)	-	(169,848)
Reclassifications (Note)	-	-	38	780	-	(1,636)	-	(818)
At December 31	$448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203
At December 31, 2022								
Cost	$448,185	$ 18,064	$ 979,356	$ 3,008,780	$ 7,960	$ 263,403	$ 95,475	$ 4,821,223
Accumulated depreciation	-	(16,100)	(712,765)	(2,393,330)	(5,157)	(176,668)	-	(3,304,020)
	$448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203

(Note) Transferred from other equipment to buildings and structures, machinery and equipment and reclassified to expenses in the amount of $38, $780 and $818, respectively.

	Land	Land improvements	Buildings and structures	Machinery and equipment	Leashelod improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2021								
Cost	$448,185	$ 14,580	$ 886,672	$ 2,492,198	$ 7,960	$ 243,375	$ 384,322	$ 4,477,292
Accumulated depreciation	-	(13,783)	(674,801)	(2,188,531)	(3,695)	(165,378)	-	(3,046,188)
	$448,185	$ 797	$ 211,871	$ 303,667	$ 4,265	$ 77,997	$ 384,322	$ 1,431,104
Year ended December 31, 2021								
At January 1	$448,185	$ 797	$ 211,871	$ 303,667	$ 4,265	$ 77,997	$ 384,322	$ 1,431,104
Additions - Cost	-	3,484	-	13,254	-	22,780	162,598	202,116
Transferred from prepayments for equipment	-	-	-	-	-	-	84,727	84,727
Transferred after acceptance inspection	-	-	21,129	470,662	-	5,355	(497,146)	-
Disposals - Cost	-	-	-	(7,607)	-	(15,891)	-	(23,498)
- Accumulated depreciation	-	-	-	7,607	-	12,178	-	19,785
Depreciation	-	(392)	(16,604)	(95,588)	(731)	(13,704)	-	(127,019)
Reclassified as expenses	-	-	-	-	-	(4,439)	(1,461)	(5,900)
At December 31	$448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315
At December 31, 2021								
Cost	$448,185	$ 18,064	$ 907,801	$ 2,968,507	$ 7,960	$ 251,180	$ 133,040	$ 4,734,737
Accumulated depreciation	-	(14,175)	(691,405)	(2,276,512)	(4,426)	(166,904)	-	(3,153,422)
	$448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315

A. The Company did not capitalise the borrowing costs as part of property, plant and equipment for the years ended December 31, 2022 and 2021.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8, 'Pledged assets'.

(9) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings, machinery and business vehicles. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022		December 31, 2021	
	Carrying Amount		Carrying Amount	
Land	$	536	$	938
Buildings		42,708		46,218
Machinery and equipment		11,410		11,416
Transportation equipment (Business vehicles)		1,050		1,470
	$	55,704	$	60,042

	Years ended December 31,			
	2022		2021	
	Depreciation charge		Depreciation charge	
Land	$	402	$	344
Buildings		3,510		3,510
Machinery and equipment		11,416		11,416
Transportation equipment (Business vehicles)		420		420
	$	15,748	$	15,690

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $11,410 and $24,039, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,			
	2022		2021	
Items affecting profit or loss				
Interest expense on lease liabilities	$	1,118	$	1,283
Expense on short-term lease or leases of low-value assets		83		3

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were $16,346 and $16,189, respectively.

(10) Intangible assets

	Year ended December 31, 2022		
	Trademarks	Computer software	Total
At January 1, 2022			
Cost	$ 1,008	$ 149	$ 1,157
Accumulated amortisation	(383)	(66)	(449)
Net value	$ 625	$ 83	$ 708
Year ended December 31, 2022			
At January 1	$ 625	$ 83	$ 708
Additions - acquired separately	58	-	58
Disposals - cost	(154)	-	(154)
- accumulated amortisation	154	-	154
Amortisation	(196)	(30)	(226)
At December 31	$ 487	$ 53	$ 540
At December 31, 2022			
Cost	$ 912	$ 149	$ 1,061
Accumulated amortisation	(425)	(96)	(521)
Net value	$ 487	$ 53	$ 540

	Year ended December 31, 2021		
	Trademarks	Computer software	Total
At January 1, 2021			
Cost	$ 832	$ 10,787	$ 11,619
Accumulated amortisation	(371)	(10,724)	(11,095)
Net value	$ 461	$ 63	$ 524
Year ended December 31, 2021			
At January 1	$ 461	$ 63	$ 524
Additions - acquired separately	337	76	413
Disposals - cost	(161)	(10,714)	(10,875)
- accumulated amortisation	161	10,714	10,875
Amortisation	(173)	(56)	(229)
At December 31	$ 625	$ 83	$ 708
At December 31, 2021			
Cost	$ 1,008	$ 149	$ 1,157
Accumulated amortisation	(383)	(66)	(449)
Net value	$ 625	$ 83	$ 708

The Company recognised amortisation in the amount of $226 and $229 (listed as 'Operating expenses') for the years ended December 31, 2022 and 2021, respectively.

(11) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 100,000	1.61%	None

Type of borrowings	December 31, 2021	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 50,000	0.87%	None

For the years ended December 31, 2022 and 2021, the Company recognised interest expense in profit or loss. Refer to Note 6(19) for details.

(12) Other payables

	December 31, 2022	December 31, 2021
Wages and salaries payable	$ 200,465	$ 539,340
Employees' compensation and directors' remuneration payable	79,464	455,838
Payables on equipment	9,553	4,822
Others	60,063	96,154
	$ 349,545	$ 1,096,154

(13) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. However, those who were mandatorily retired because of injury at work will receive 20% in addition. The Company contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The relevant information is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 517,253)	($ 595,213)
Fair value of plan assets	666,713	616,130
Net defined benefit asset	$ 149,460	$ 20,917

(b) Movements in net defined benefit assets (liabilities) are as follows:

Year ended December 31, 2022	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset (liability)
At January 1	($ 595,213)	$ 616,130	$ 20,917
Current service cost	(4,986)	-	(4,986)
Interest (expense) income	(3,750)	3,958	208
	(603,949)	620,088	16,139
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	46,962	46,962
Change in financial assumptions	20,395	-	20,395
Experience adjustments	31,916	-	31,916
	52,311	46,962	99,273
Pension fund contribution	-	34,048	34,048
Paid pension	34,385	(34,385)	-
At December 31	($ 517,253)	$ 666,713	$ 149,460

Year ended December 31, 2021	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset (liability)
At January 1	($ 614,953)	$ 578,602	($ 36,351)
Current service cost	(6,103)	-	(6,103)
Interest (expense) income	(1,814)	1,755	(59)
	(622,870)	580,357	(42,513)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	8,526	8,526
Change in demographic assumptions	(1,208)	-	(1,208)
Change in financial assumptions	15,941	-	15,941
Experience adjustments	5,141	-	5,141
	19,874	8,526	28,400
Pension fund contribution	-	35,030	35,030
Paid pension	7,783	(7,783)	-
At December 31	($ 595,213)	$ 616,130	$ 20,917

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.20%	0.65%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience according to Taiwan Life Insurance Industry 6th Mortality Table for the years ended December 31, 2022 and 2021.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 8,882)	$ 9,122	$ 8,938	($ 8,750)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 11,157)	$ 11,479	$ 11,186	($ 10,932)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plan of the Company for the next year amount to $34,048.

(f) As of December 31, 2022, the weighted average duration of the retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	37,245
1-2 years		39,881
2-5 years		122,941
Over 5 years		362,747
	$	562,814

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount of no less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were $7,551 and $6,646, respectively.

(14) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	Years ended December 31,	
	2022	2021
At beginning and end of year	492,417	492,417

B. The shareholders of the Company resolved to increase authorised capital by $1,075,833 at their annual meeting on July 26, 2021. After the amendment, the authorised capital was $6,000,000.

C. As of December 31, 2022, the Company's authorised capital was $6,000,000, and the paid-in-capital was $4,924,167, consisting of 492,417 thousand shares, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(15) Retained earnings

A. Pursuant to the amended R.O.C. Company Act, the current year’s after-tax earnings should be used initially to cover any accumulated deficit; thereafter 10% of the remaining earnings should be set aside as legal reserve until the balance of legal reserve is equal to that of paid-in capital. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company’s paid-in capital.

B. Since the Company is in a changeable industry environment tied with international macroeconomics and the Company is in the mature stage, the appropriation of earnings should consider fund requirements and capital budget to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. According to the Company’s original Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders’ meeting. Of the amount to be distributed by the Company, stockholders’ dividends shall comprise at least 20% of the unappropriated retained earnings, and the percentage of cash dividends shall not be less than 30% of dividends distributed. Based on the regulation, the Board of Directors of the Company shall adopt a special resolution to distribute whole or a part of the dividends in the form of cash and report to the stockholders, which is not applicable to the aforementioned provisions that are subject to stockholders’ resolutions.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012 was $430,099, which shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised cash dividends distributed to owners amounting to $3,446,917 ($7.0 (in dollars) per share) and $1,969,667 ($4.0 (in dollars) per share) for the years ended December 31, 2022 and 2021, respectively. On March 7, 2023, the Board of Directors proposed for the distribution of cash dividends of $984,833 ($2.0 (in dollars) per share) from the 2022 earnings.

(16) Operating revenue

A. Disaggregation of revenue from contracts with customers

Details of the Company's revenue from the transfer of goods at a point in time are as follows:

	Years ended December 31,	
	2022	2021
Revenue from latex products	$ 3,528,963	$ 12,687,359
Revenue from rubber products	1,402,824	1,305,938
Others	81,790	62,304
	$ 5,013,577	$ 14,055,601

B. Contract liabilities

(a) On December 31, 2022 and 2021, the Company has recognised the revenue-related contract liabilities amounting to $16,199 and $50,900, respectively.

(b) On January 1, 2022 and 2021, the contract liabilities were $50,900 and $38,314, respectively, and the contract liabilities at the beginning of 2022 and 2021 of $50,900 and $38,314 were recognised as revenue for the years ended December 31, 2022 and 2021, respectively.

(17) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 41,418	$ 6,846
Interest income from financial assets at fair value through other comprehensive income	723	663
	$ 42,141	$ 7,509

(18) Other income

	Years ended December 31,	
	2022	2021
Dividend income	$ 12,338	$ 8,794
Other income	29,242	62,237
	$ 41,580	$ 71,031

(19) Other gains and losses

	Years ended December 31, 2022	Years ended December 31, 2021
Net currency exchange gains (losses)	$ 424,209	($ 167,455)
Gains on financial assets at fair value through profit or loss (Note)	905	1,080
Losses on disposal of property, plant and equipment	-	(1,332)
Other losses	(1,564)	(4,195)
	$ 423,550	($ 171,902)

(Note) Includes the distribution of fund income of $935 and unrealised evaluation loss of ($30).

(20) Finance costs

	Years ended December 31, 2022	Years ended December 31, 2021
Interest expense		
Bank loans	$ 5	$ 14
Lease liabilities	1,118	1,283
	$ 1,123	$ 1,297

(21) Expenses by nature

Year ended December 31, 2022	Operating cost	Operating expense	Total
Employee benefits expense	$ 237,687	$ 316,528	$ 554,215
Depreciation	146,081	39,515	185,596
Amortisation	-	226	226
	$ 383,768	$ 356,269	$ 740,037

Year ended December 31, 2021	Operating cost	Operating expense	Total
Employee benefits expense	$ 336,543	$ 838,203	$ 1,174,746
Depreciation	107,439	35,270	142,709
Amortisation	-	229	229
	$ 443,982	$ 873,702	$ 1,317,684

(22) Employee benefit expense

	Year ended December 31, 2022		
	Operating cost	Operating expense	Total
Salaries and wages	$ 209,871	$ 187,976	$ 397,847
Labour and health insurance expenses	14,992	26,140	41,132
Pension costs	7,266	5,063	12,329
Directors' remuneration	-	85,638	85,638
Other personnel expenses	5,558	11,711	17,269
	$ 237,687	$ 316,528	$ 554,215

	Year ended December 31, 2021		
	Operating cost	Operating expense	Total
Salaries and wages	$ 309,576	$ 506,703	$ 816,279
Labour and health insurance expenses	14,207	19,252	33,459
Pension costs	7,261	5,547	12,808
Directors' remuneration	-	280,883	280,883
Other personnel expenses	5,499	25,818	31,317
	$ 336,543	$ 838,203	$ 1,174,746

A. For the years ended December 31, 2022 and 2021, the average number of employees of the Company were 334 and 335, both including 18 non-employee directors, respectively.

B. Average employee benefit expense in 2022 and 2021 was $1,483 and $2,820, respectively and average wages and salaries in 2022 and 2021 was $1,259 and $2,575, respectively. The average wages and salaries in current year compared to prior year decreased by 51.11%.

C. Directors' remuneration of the Company is determined based on their job responsibility, taking into consideration the directors' extent of participation in the Company's operations, contributions and a pay level which is widely accepted within the same industry. Management's remuneration is determined based on the personal capabilities, the contribution to the Company, standard salary range for the position and the Company's future operational risk. Directors' and management's remunerations are reviewed by the remuneration committee and approved by the Board of Directors. Employees' remuneration is determined based on the employees' capabilities, performance and the Company's operating conditions and profitability, and will be adjusted once every year. The policy of employees' remuneration will be set by the HR department, which will be reported to the general manager and approved by the Board of Directors.

D. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.

E. For the years ended December 31, 2022 and 2021, the Company's employees' compensation was accrued at $31,786 and $182,335, respectively; while directors' and supervisors' remuneration was accrued at $47,678 and $273,503, respectively. The aforementioned amounts were recognised in salary expenses and other expenses. The expenses recognised for the years ended December 31, 2022 and 2021 were accrued based on the earnings of current year and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' and supervisors' remuneration for 2021 as resolved by the Board of Directors amounted to $456,152. The difference of $314 between the amounts resolved at the Board meeting and the amounts recognised in the 2021 financial statements of $455,838 had been adjusted in the profit or loss for 2022.The employees' compensation and directors' and supervisors' remuneration for 2022 as resolved by the Board of Directors was $31,479 and $47,219, respectively. The employees' compensation will be distributed in the form of cash.

Information about the appropriation of employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2022	Years ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ 106,314	$ 1,262,065
Tax on undistributed surplus earnings	155,303	49,742
Prior year income tax over estimation	(16,794)	(782)
Total current tax	244,823	1,311,025
Deferred tax:		
Origination and reversal of temporary differences	57,044	9,671
Income tax expense	$ 301,867	$ 1,320,696

(b) The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31, 2022	Years ended December 31, 2021
Remeasurement of defined benefit plan	$ 19,854	$ 5,680

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2022	Years ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate	$ 298,900	$ 1,733,439
Effect from adjustment by tax regulation	(135,542)	(461,703)
Tax on undistributed surplus earnings	155,303	49,742
Prior year income tax over estimation	(16,794)	(782)
Income tax expense	$ 301,867	$ 1,320,696

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

Year ended December 31, 2022	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Deferred tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 3,068	$ -	$ -	$ 3,068
Unrealised sales discounts and allowances	4,084	(4,084)	-	-
Unrealised loss on inventory market value decline	5,627	(253)	-	5,374
Unused compensated absences	893	(6)	-	887
Pension cost	31,829	-	(19,854)	11,975
Unrealised exchange loss	10,556	(10,556)	-	-
	$ 56,057	($ 14,899)	($ 19,854)	$ 21,304
Deferred tax liabilities				
Temporary differences:				
Pension cost	($ 38,411)	($ 5,854)	$ -	($ 44,265)
Investment gain	(189,597)	-	-	(189,597)
Unrealised exchange gain	-	(36,291)	-	(36,291)
Provision for land increment tax	(92,467)	-	-	(92,467)
	($ 320,475)	($ 42,145)	$ -	($ 362,620)
	($ 264,418)	($ 57,044)	($ 19,854)	($ 341,316)

	Year ended December 31, 2021			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Deferred tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 3,068	$ -	$ -	$ 3,068
Unrealised sales discounts and allowances	-	4,084	-	4,084
Unrealised loss on inventory market value decline	6,294	(667)	-	5,627
Unused compensated absences	884	9	-	893
Pension cost	37,509	-	(5,680)	31,829
Unrealised exchange loss	17,879	(7,323)	-	10,556
	$ 65,634	($ 3,897)	($ 5,680)	$ 56,057
Deferred tax liabilities				
Temporary differences:				
Pension cost	($ 32,637)	($ 5,774)	$ -	($ 38,411)
Investment gain	(189,597)	-	-	(189,597)
Provision for land increment tax	(92,467)	-	-	(92,467)
	($ 314,701)	($ 5,774)	$ -	($ 320,475)
	($ 249,067)	($ 9,671)	($ 5,680)	($ 264,418)

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of March 7, 2023.

(24) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 1,192,632	492,417	$ 2.42
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 1,192,632		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,331	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 1,192,632	493,748	$ 2.42

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 7,346,499	492,417	$ 14.92
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 7,346,499		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	2,376	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 7,346,499	494,793	$ 14.85

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31, 2022	Years ended December 31, 2021
Purchase of property, plant and equipment	$ 89,395	$ 202,116
Add: Beginning balance of payable on equipment (listed as 'other payables')	4,822	34,214
Less: Ending balance of payable on equipment (listed as 'other payables')	(9,553)	(4,822)
Cash paid for purchase of property, plant and equipment	$ 84,664	$ 231,508

B. Investing activities with no cash flow effects:

	Years ended December 31, 2022	Years ended December 31, 2021
Prepayments for equipment reclassified to property, plant and equipment	$ 17,159	$ 84,727

(26) Changes in liabilities from financing activities

Year ended December 31, 2022	Short-term borrowings	Lease liability	Liabilities from financing activities-gross
At January 1	$ 50,000	$ 62,486	$ 112,486
Changes in cash flow from financing activities	50,000	(15,145)	34,855
Changes in other non-cash activities	-	11,410	11,410
At December 31	$ 100,000	$ 58,751	$ 158,751

Year ended December 31, 2021	Short-term borrowings	Lease liability	Liabilities from financing activities-gross
At January 1	$ 100,000	$ 53,350	$ 153,350
Changes in cash flow from financing activities	(50,000)	(14,903)	(64,903)
Changes in other non-cash activities	-	24,039	24,039
At December 31	$ 50,000	$ 62,486	$ 112,486

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Zhenjiang Nantex Chemical Industry, Ltd. (Zhenjiang Nantex)	Subsidary
Tainan Spinning Co., Ltd. (Tainan Spinning)	Entity with significant influence over the Company
Lushun Warehouse Co., Ltd. (Lushun Warehouse)	Other related party

(2) Significant transactions and balances with related parties

A. Sales of goods

	Years ended December 31,	
	2022	2021
Subsidiary	$ 120,304	$ 153,558

The collection period for subsidiary and third parties was within 3 months after sales of goods. Selling prices were the same with third parties.

B. Lease transactions－lessee

(a) The Company leases raw material tanks and office from Lushun Warehouse and Tainan Spinning. Rental contracts are typically made for periods of 1～2 years and 20 years, respectively. Rents are paid monthly.

(b) Acquisition of right-of-use asset

	Years ended December 31,	
	2022	2021
Lushun Warehouse	$ 11,410	$ 22,832

(c) Lease liabilities

(i) Outstanding balance

	December 31, 2022	December 31, 2021
Tainan Spinning	$ 45,733	$ 48,594
Lushun Warehouse	11,411	11,466
	$ 57,144	$ 60,060

(ii) Interest expense

	Years ended December 31,	
	2022	2021
Tainan Spinning	$ 1,040	$ 1,099
Lushun Warehouse	54	153
	$ 1,094	$ 1,252

C. Royalty income (listed as 'Other income')

	Years ended December 31,	
	2022	2021
Zhenjiang Nantex	$ 24,389	$ 58,543

D. Equity transactions

The Company participated in the capital increase of the subsidiary, Nanmat Technology Co., Ltd., for $34,727 in October 2022.

E. Other receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
Subsidiary	$ 5,920	$ 516
Other receivables：		
Zhenjiang Nantex	20,528	49,276
	$ 26,448	$ 49,792

Receivables from related parties are mainly derived from the sales of commodities and royalties, and the sales transactions are due 3 months after the sales date. The receivables are unsecured and interest-bearing. Amounts due from related parties did not include allowance losses.

F. Contract liabilities

	December 31, 2022	December 31, 2021
Zhenjiang Nantex	$ 1,681	$ 9,390

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 159,877	$ 532,253

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Land (Listed as 'property, plant and equipment')	$ 448,185	$ 448,185	Collateral for borrowing facilities
Buildings and structrues, net (Listed as 'property, plant and equipment')	15,883	16,896	Collateral for borrowing facilities
Guarantee deposits paid	413	413	Performance guarantee
	$ 464,481	$ 465,494	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of December 31, 2022 and 2021, the Company's remaining balance due for construction in progress and prepayment for equipment were $28,223 and $7,965, respectively.

(2) As of December 31, 2022 and 2021, the Company's unused letters of credit amounted to $3,419 and $882, respectively.

(3) The significant purchase contracts entered into by the Company are as follows:

			Quantity of purchase (in tonnes)	
Suppliers Name	Item	Price	December 31, 2022	December 31, 2021
CPC Corporation, Taiwan	Butadiene (BD)	Floating	20,646	20,646
Formosa Petrochemical Corp.	Butadiene (BD)	Floating	46,800	46,800
China Petrochemical Development Corp.	Acrylonitrile (AN)	Floating	18,000	18,000
Formosa Plastics Corp.	Acrylonitrile (AN)	Floating	4,800	4,800
Taiwan Styrene Monomer Corp.	Styrene (SM)	Floating	1,800	1,800

As of December 31, 2022, 40,389 tonnes of BD, 19,424 tonnes of AN and 1,474 tonnes of SM were purchased.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 31,050	$ 31,080
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	$ 418,858	$ 354,883
Qualifying debt instruments	30,388	28,234
	$ 449,246	$ 383,117

	December 31, 2022	December 31, 2021
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,253,516	$ 6,750,267
Financial assets at amortised cost	767,750	-
Notes receivable	34,827	85,475
Accounts receivable	245,068	1,163,675
Other receivables (including related parties)	57,796	116,603
Guarantee deposits paid	413	413
	$ 3,359,370	$ 8,116,433
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 100,000	$ 50,000
Accounts payable	138,521	273,097
Other payables	349,545	1,096,154
Current refund liabilities	-	20,418
	$ 588,066	$ 1,439,669
Lease liability	$ 58,751	$ 62,486

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on unpredictable events in the financial market and seeks to reduce potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company Finance Department) under policies approved by the board of directors. Company Finance Department identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

(i) The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities and net investment in foreign operations.

(ii) Management has set up a policy to require the Company to manage its foreign exchange risk against the functional currency. The Company is required to hedge the entire foreign exchange risk exposure with the Company treasury. Foreign exchange rate risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity's functional currency.

(iii) The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.

(iv) The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		December 31, 2021	
	Foreign currency amount (In thousands)	Exchange rate	Foreign currency amount (In thousands)	Exchange rate
Financial assets				
Monetary items				
USD：NTD	$ 86,351	30.71	$ 266,598	27.68
JPY ：NTD	576,032	0.2324	-	0.2405
Non-monetary items				
USD：NTD	$ 283,303	30.71	$ 282,429	27.68

Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If NTD had appreciated/depreciated by 1% against USD, the Company's net profit after tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $21,215 and $59,035, respectively.

(v) The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021 amounted to $424,209 and ($167,455), respectively.

II. Price risk

(i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(ii) The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased both by \$311, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$4,189 and \$3,549, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

The Company's borrowings are short-term borrowings with floating interest rates. Therefore, changes in market interest rates will change the effective interest rates of the borrowings and cause fluctuations in their future cash flows. However, there is no significant effect on profit after tax for the years ended December 31, 2022 and 2021.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through other comprehensive income.

II. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.

III. The Company adopts the assumption under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

IV. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days..

V. The Company classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Company applies the modified approach using the loss rate methodology to estimate expected credit loss under the provision matrix basis.

VI. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable as the Company's counterparties are all with high credit quality and have no default record after assessment.

VII. The Company's investments in debt instruments at fair value through other comprehensive income are all rated as investment grade by any external credit rating agency at the balance sheet date, therefore its loss allowance is financial instruments measured at 12 months expected credit losses.

(c) Liquidity risk

I. Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company Finance Department. Company Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. Surplus cash held by the operating entities over and above the balance required for working capital management are invested in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, that are expected to readily generate cash inflows for managing liquidity risk.

III. The Company has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Floating rate:		
Expiring within one year	$ 2,512,130	$ 2,430,200

IV. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 100,790	$ -	$ -	$ -
Accounts payable	138,521	-	-	-
Other payables	349,545	-	-	-
Lease liabilities	16,361	4,588	12,717	32,117

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 50,006	$ -	$ -	$ -
Accounts payable	273,097	-	-	-
Other payables	1,096,154	-	-	-
Lease liabilities	16,263	4,841	13,063	36,359
Current refund liabilities	20,418	-	-	-

V. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates and corporate bonds is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables (including related parties), guarantee deposits paid, short-term borrowings, accounts payable, other payables and current refund liabilities are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 31,050	$ -	$ -	$ 31,050
Financial assets at fair value through other comprehensive income				
Equity securities	116,720	-	302,138	418,858
Debt securities	30,388	-	-	30,388
	$ 178,158	$ -	$ 302,138	$ 480,296

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 31,080	$ -	$ -	$ 31,080
Financial assets at fair value through other comprehensive income				
Equity securities	116,140	-	238,743	354,883
Debt securities	28,234	-	-	28,234
	$ 175,454	$ -	$ 238,743	$ 414,197

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Closed-end funds	Corporate bonds
Market quoted price	Closing price	Closing price	Weighted average quoted price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	Equity securities
At January 1, 2022	$ 238,743
Gains recognised in other comprehensive income	63,395
At December 31, 2022	$ 302,138

	Equity securities
At January 1, 2021	$ 220,030
Losses recognised in other comprehensive income	18,713
At December 31, 2021	$ 238,743

G. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

H. Finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 302,138	Discounted cash flow	Weighted average cost of capital	5.11%～10.23%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 238,743	Discounted cash flow	Weighted average cost of capital	7.92%～9.89%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	Year ended December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 41,972	($ 30,300)
	Discount for lack of marketability	±10%	-	-	5,475	(5,475)
			$ -	$ -	$ 47,447	($ 35,775)

	Input	Change	Year ended December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 20,317	($ 15,558)
	Discount for lack of marketability	±10%	-	-	3,847	(3,847)
			$ -	$ -	$ 24,164	($ 19,405)

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2022.

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. SEGMENT INFORMATION

Not applicable.

NANTEX INDUSTRY CO., LTD.

Provision of endorsements and guarantees to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided （Note 2）	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
1	INTERMEDIUM INTERNATIONAL LIMITED	Bao Minh Textile & Garment	(Note 1)	$ 1,740,045	$ 98,200	$ 98,200	$ 71,785	$ -	1%	$ 4,350,111	N	N	N	-

(Note 1) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(Note 2) Ceiling on total amount of endorsements/ guarantees provided by INTERMEDIUM INTERNATIONAL LIMITED to others is 50% of the company’s net worth, and limit on endorsements/guarantees provided for a single party is 20% of the company’s net worth. The relevant endorsements/guarantees have been reported to the shareholders.
(Note 3) The accounts denominated in foreign currencies in the table are translated into New Taiwan dollars at spot exchange rates (USD 1 : NTD 30.71) prevailing at the financial reporting date.

NANTEX INDUSTRY CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 2

Expressed in thousands of NTD

				As of December 31, 2022				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares (shares or units in thousands)	Book value	Ownership (%)	Fair value	Footnote
NANTEX INDUSTRY CO., LTD.	Beneficiary certificates:							
	MiLLERFUL NO.1 REIT	—	Current financial assets at fair value through profit or loss	3,000	$ 31,050	-	$ 31,050	—
	Stocks:							
	Lushun Warehouse Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	2,700	213,191	15.00%	213,191	—
	President International Development Corp.	—	〃	8,820	82,862	0.67%	82,862	—
	Micro Sava Co., Ltd.	—	〃	1,021	288	0.52%	288	—
	Grand Bills Finance Corp.	—	〃	720	5,797	0.13%	5,797	—
	Formosa Chemicals & Fibre Corp.	—	〃	1,200	84,600	0.02%	84,600	—
	Formosa Petrochemical Corp.	—	〃	400	32,120	-	32,120	—
	Bonds:						-	
	NATWEST MARKETS PLC.	—	〃	-	30,388	-	30,388	—
INTERMEDIUM INTERNATIONAL LIMITED	Bao Minh Textile & Garment	—	〃	-	128,676	8.50%	128,676	—

NANTEX INDUSTRY CO., LTD.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
NANTEX INDUSTRY CO., LTD.	Zhenjiang Nantex Chemical Industry., Ltd.	Subsidiary	(Sales)	($ 120,304)	(2%)	Cash payment within 3 months	$ -	-	$ 5,920	2%	—

NANTEX INDUSTRY CO., LTD.

Significant inter-company transactions during the reporting period

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction				
				General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	NANTEX INDUSTRY CO., LTD.	Zhenjiang Nantex Chemical Industry., Ltd.	1	Sales revenue	$	120,304	Cash payment within 3 months	2%
				Royalty income		24,389	Cash payment within 1 year	—
				Accounts receivable		5,920	—	—
				Other receivables		20,528	—	—
				Contract liabilities		1,681	—	—

(Note 1) If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, one side of then are disclosed. In addition, the disclosure threshold for significant transactions is set at 10 million dollars.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. Parent company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

NANTEX INDUSTRY CO., LTD.

Information on investees (not including investees in China)

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	(%)	Book value			
NANTEX INDUSTRY CO., LTD.	INTERMEDIUM INTERNATIONAL LIMITED	British Virgin Islands	General investments	$ 1,799,716	$ 1,799,716	55,503,757	100.00%	$ 8,700,223	$ 569,494	$ 569,494	Subsidiary
	Nanmat Technology Co., Ltd.	Taiwan	CVD materials and metal surface treatment chemicals	207,127	172,400	19,413,781	41.00%	622,226	327,724	143,988	Subsidiary

NANTEX INDUSTRY CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2022

Table 6

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital (Note 1)	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 （Note 3）	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Zhenjiang Nantex Chemical Industry., Ltd.	Manufacture and sales of rubber and latex	$ 2,075,996	Note 2	$ 1,698,263	$ -	$ -	$ 1,698,263	$ 805,275	100.00	$ 805,275	$ 3,693,460	$ -	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
NANTEX INDUSTRY CO., LTD.	$ 1,698,263	$ 2,075,996	$ 9,191,379

(Note 1) Including capital increase out of earnings amounting to $377,733.
(Note 2) Through investing in an existing company in the third area INTERMEDIUM INTERNATIONAL LIMITED, which then invested in the investee in Mainland China.
(Note 3) It was recognised based on the financial statements audited and attested by R.O.C. parent company’s CPA.
(Note 4) It was calculated based 60% of net worth or consolidated net worth (whichever is higher).
(Note 5) Foreign currencies were translated into New Taiwan Dollars.
Ending balances and book value are translated using the exchange rate as of report date as follows: USD 1 : TWD 30.71, RMB 1 : USD 0.1437.
Profit or loss are translated using the average exchange rate for the year ended December 31, 2022 as follows: USD 1 : TWD 29.80, RMB 1 : USD 0.1488.

NANTEX INDUSTRY CO., LTD.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	(Note)
Zhenjiang Nantex Chemical Industry., Ltd.	$ 120,304	2%	$ -	-	$ 5,920	2%	$ -	-	$ -	$ -	-	$ -	(Note)

(Note) It refers to royalty revenue amounting to $24,389. As of December 31, 2022, the outstanding amount was $20,528 after deducting the relevant tax payable of $3,861; the remaining $1,681 was contract liabilities.

NANTEX INDUSTRY CO., LTD.

Major shareholders information

December 31, 2022

Table 8

Name of major shareholders	Number of shares held: Common share	Number of shares held: Preferred share	Ownership (%)	Footnote
Tainan Spinning Co., Ltd.	105,549,052	-	21.43%	—
Nan Fan Housing Development Co., Ltd.	27,362,884	-	5.55%	—

(Note) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash:		
Cash on hand		$ 275
Checking deposits		213,307
Demand deposits－New Taiwan dollar		172,791
－Foreign currency	Including USD 6,440 thousand @ 30.71	
	Including JYP 576,032 thousand @ 0.2324	331,643
		718,016
Cash equivalents:		
Time deposits－Foreign currency	Including USD 50,000 thousand @ 30.71	
	Due date at March 23, 2023, interest rate at 4.9%	1,535,500
		$ 2,253,516

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CURRENT FINANCIAL ASSETS AT AMORTISED COST
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Name	Description	Number of share (in thousands)	Par value	Total stock	Interest rate	Carrying amount	Accumulated impairment	Food note
Time deposits over three months-foreign currenty－USD	Due date from February 3, 2023 to February 6, 2023	-	$ 767,750	$ 767,750	4.8%	$ 767,750	$ -	-

NANTEX INDUSTRY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount
ZEON CHEMICALS L.P.	Accounts receivable	$ 50,707
HARTALEGA NGC SDN. BHD.	〃	50,353
SRI TRANG GLOVES (THAILAND) CO., LTD.	〃	26,998
CENTURY PAPER AND BOARD MILLS LTD.	〃	17,702
ZHENJIANG WENAN CHEMICAL CO., LTD.	〃	17,347
MERCATOR MEDICAL (THAILAND) LTD.	〃	13,183
Others (less than 5%)	〃	68,778
		$ 245,068

NANTEX INDUSTRY CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

		Amount		
Item	Description	Cost	Net Realisable Value	Footnote
Raw materials	—	$ 272,753	$ 282,372	(Note)
Supplies	—	28,802	29,263	〃
Work in progress	—	41,046	44,492	〃
Finished goods	—	287,695	344,942	〃
		630,296	$ 701,069	
Less: Allowance for market price decline		(26,873)		
		$ 603,423		

Note: Refer to Note 4(9) 'Inventories' of parent company only financial statements for the method used by the Company in determining the net realisable value of inventories.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Company	Beginning balance		Addition		Decrease		Ending balance		
	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	Collateral or Pledge
Listed stocks:									
Formosa Chemicals & Fibre Corp.	1,200	$ 96,960	-	$ -	-	($ 12,360)	1,200	$ 84,600	None
Formosa Petrochemical Corp.	200	19,180	200	16,382	-	(3,442)	400	32,120	〃
	1,400	116,140	200	16,382	-	(15,802)	1,600	116,720	
Unlisted stocks:									
Lushun Warehouse Co., Ltd.	2,700	145,377	-	67,814	-	-	2,700	213,191	None
President International Development Corp.	8,820	84,497	-	-	-	(1,635)	8,820	82,862	〃
Grand Bills Finance Corp.	720	8,518	-	-	-	(2,721)	720	5,797	〃
Micro Sava Co., Ltd.	1,021	351	-	-	-	(63)	1,021	288	〃
	13,261	238,743	-	67,814	-	(4,419)	13,261	302,138	
Corporate bonds:									
NATWEST MARKET PLC.	-	28,234	-	2,154	-	-	-	30,388	None
		$ 383,117		$ 86,350		($ 20,221)		$ 449,246	

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

	Beginning balance		Additions		Ending balance			Market price or Equity of subsidiaries and Associates			
Name	Number of shares (thousands of shares)	Amount	Number of shares (thousands of shares)	Amount	Number of shares (thousands of shares)	Percentage of ownership	Amount	Unit Price (NTD)	Total price	Collateral	NOTE
INTERMEDIUM INTERNATIONAL LIMITED	55,504	$ 7,817,645	-	$ 882,578	55,504	100.00%	$ 8,700,223	$ 156.75	$ 8,700,223	None	-
Nanmat Technology Co., Ltd.	17,017	432,125	2,397	190,101	19,414	41.00%	622,226	32.05	622,226	〃	-
	72,521	$ 8,249,770	2,397	$ 1,072,679	74,918		$ 9,322,449		$ 9,322,449		

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-COST
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(8) ‘Property, plant and equipment’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(8) ‘Property, plant and equipment’ of parent company only financial statements for the change in accumulated depreciation of property, plant and equipment.
Refer to Note 4(14) ‘Property, plant and equipment’ of parent company only financial statements for the depreciation method and useful lives of the assets.

<u>NANTEX INDUSTRY CO., LTD.</u>
<u>STATEMENT OF OTHER PAYABLES</u>
<u>DECEMBER 31, 2022</u>
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(12) ‘Other payables’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CURRENT INCOME TAX LIABILITIES
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Foodnote
Income tax payable for 2022	—	$ 21,691	—
Tax on undistributed earnings payable for 2021	—	155,303	—
		$ 176,994	

NANTEX INDUSTRY CO., LTD.
STATEMENT OF DEFERRED INCOME TAX LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Refer to Note 6(23) ‘Income tax’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Total
Latex	115,290 t	$ 3,537,514
Nitrile butadiene rubber	12,314 t	1,133,153
Themeplastic rubber	1,461 t	153,005
Carbon masterbatch rubber	1,085 t	117,425
Others	1,794 t	81,790
		5,022,887
Less: Sales returns		(1,639)
Sales discounts and allowances		(7,671)
Operating revenue, net		$ 5,013,577

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Raw materials at January 1, 2022	$ 203,768
Add: Raw materials purchased	3,286,652
Transfer from research and development expense	85
Less: Transfer to expenses	(639)
Sale of raw materials	(75,713)
Raw materials at December 31, 2022	(272,753)
Raw materials used during the year	3,141,400
Supplies at January 1, 2022	23,222
Add: Supplies purchased	127,086
Supplies at December 31, 2022	(28,802)
Supplies used during the year	121,506
Direct labor	113,050
Manufacturing overhead	615,512
Manufacturing cost	3,991,468
Work in progress at January 1, 2022	50,176
Add: Outsource	1,383
Less: Transfer to expenses	(54,256)
Work in progress at December 31, 2022	(41,046)
Cost of finished goods	3,947,725
Finished goods at January 1, 2022	159,765
Add: Finished goods purchased	3,220
Less: Losses on physical inventory	(5,255)
Transfer to expenses	(104)
Finished goods at December 31, 2022	(287,695)
Cost of production and marketing	3,817,656
Sale of raw materials	75,713
Cost of goods sold	3,893,369
Reversal of inventory market price decline	(1,264)
Losses on physical inventory	5,255
Revenue from sale of scrap	(1,785)
Operating costs	$ 3,895,575

NANTEX INDUSTRY CO., LTD.
STATEMENT OF MANUFACTURING OVERHEAD
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Wages and salaries	$ 104,087
Repairs and maintance expense	66,138
Utilities expense	104,185
Depreciation	146,081
Fuel expense	62,107
Packaging materials	48,648
Others (less than 5%)	84,266
	$ 615,512

NANTEX INDUSTRY CO., LTD.
STATEMENT OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Amount	
Wages and salaries	$	13,602
Freight		278,846
Commissions expense		23,903
Packaging materials		86,671
Others (less then 5%)		18,493
	$	421,515

NANTEX INDUSTRY CO., LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item		Amount
Wages and salaries	$	143,515
Depreciation		30,585
Insurance		23,480
Employee benefit expense		8,806
Directors' remuneration		85,638
Others (less than 2%)		67,075
	$	359,099

NANTEX INDUSTRY CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Amount	
Wages and salaries	$	35,922
Repair and maintance expense		1,746
Insurance		2,508
Depreciation		8,930
Others (less than 2%)		13,413
	$	62,519

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OTHER GAINS AND LOSSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(19) ‘Other gains and losses’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES IN THE CURRENT PERIOD
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(21) 'Expenses by nature' and Note 6(22) 'Employee benefit expense' of parent company only financial statements.